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SUBJECT: UKRAINE: Black Sea Strategy Presented to German Marshall

Fund Conference

SENSITIVE BUT UNCLASSIFIED. NOT FOR INTERNET.

- 11. (SBU) Summary: Academics and NGO representatives considered the Euro-Atlantic community's approaches to the "Eastern European neighborhood" during a conference held in Kyiv October 26-27. Despite the theme, conference participants were focused on Ukraine and particularly Ukraine's prospects for both EU and NATO membership, although we also presented the U.S. Black Sea strategy (ref D) and suggested that U.S. and EU common interests in Black Sea security formed a solid basis for a new Eastern European neighborhood approach. At a practical and concrete level, Ukraine continues to exercise leadership in the Black Sea region, with its sponsorship of a Proliferation Security Initiative exercise, chairmanship of the Black Sea Economic Cooperation (BSEC), and its plans to hold BSEC-related meetings on "frozen conflicts" and energy security. One highlight of the conference was the participation of Tymoshenko foreign policy advisor, and FM dark-horse candidate, Hryhoriy Nemyria. End summary.
- 12. (U) On October 26-27, the German Marshall Fund of the United States, the Center for Applied Policy Research, and the Heinrich Boell Foundation jointly held a "Transatlantic Roundtable" in Kyiv dealing with current developments and challenges in the "Eastern European neighbourhood." Fifty distinguished experts and high-level policymakers discussed the topic of "The Euro-Atlantic Community and its Changing Eastern Neighbourhood: A New Policy in the Making?" (At least one other roundtable was held in Kyiv, from January 28-30, 2005, on the theme "Ukraine and the Euro-Atlantic Community: A Strategic Dialogue.") The presenters and participants ranged widely, from former Slovak Foreign Minister Pavol Demes (one of the organizers); Pirkka Tapiola, Senior Advisor to EU High Representative Javier Solana; and James Sherr of the UK Defense Academy to researchers and NGO directors who seemed to have been invited based on personal connections with the organizers.
- 13. (U) In addition to a dinner on the first evening with a keynote speech by European Commission Ambassador Ian Boag, the conference was divided into four sessions. The first session addressed "Ukraine after the parliamentary elections: internal and external challenges." Given the absence of a new government, the conversation focused on the prospects for an "orange" coalition and policy priorities for any new Ukrainian government. The second session addressed "Challenges for democracy, stability, and Western integration: the view from the Eastern Neighborhood" (with presentations by a Belarusan, Georgian, Russian, and a German). The third session addressed "European and U.S. strategies to Eastern neighbors: Is there a trans-Atlantic framework?" And the fourth session addressed "Outlining the contours of a new European Eastern strategy." We attended the first, third, and fourth sessions as well as delivering informal remarks at the third session.

- ¶4. (U) In Session III, Arkady Moshes, a Russian who is now a senior researcher at the Finnish Institute of International Affairs, and James Sherr presented their views. They both noted their particular qualifications to comment on both EU and U.S approaches to Eastern Europe, with Moshes having just finished a two-month stint, ending in August, as a public policy scholar with the Kennan Institute's Woodrow Wilson Center and Sherr noting his time in the U.S. and his dual U.K. and U.S. citizenship. Despite the supposed "trans-Atlantic" flavor to the roundtable, they both focused their comments on the EU's relationship to Ukraine (especially the inadequacies of the EU's European Neighborhood Policy) and the implications of the EU-Russia and U.S.-Russia relationship for Ukraine, with a nod toward the role of Ukraine's NATO aspirations. Moshes threw out the provocative statement that "Russia is a factor, but not the decisive factor in the region."
- 15. (U) In Session III, invited to respond first, we drew on ref D's talking points to make the case that the EU and U.S. common approaches to Black Sea security formed a basis for a common approach to the region. We stressed that the U.S. does not seek to supplant existing international agreements, especially not to seek changes to the Montreux Convention, or advocate the creation of new organizations or institutions in the Black Sea region. We detailed the U.S. assistance efforts in the region, and, especially relevant given the sponsorship of the roundtable, noted the U.S. Government had provided \$10 million to the German Marshall Fund's Black Sea Trust, which would provide grants to support democratic development, regional civil society cooperation, and good governance. Unfortunately, most of the remaining comments continued to examine the role and relevance of Russia's views in forming approaches to the Eastern neighborhood. Susan Stewart, a U.S. citizen and research fellow with the German Institute for International and Security Affairs in Berlin, did support the need to develop

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cooperative and practical approaches to Black Sea security, while Kirk Mildner, principal economist with KfW-Bankengruppe in Frankfurt, argued that substantially larger sums of money needed to spent on the Black Sea region in order to be effective.

- 16. (SBU) Session IV was highlighted by the participation of Yulia Tymoshenko's foreign policy advisor, Hryhoriy Nemyria, who is considered a dark horse candidate for the FM slot in a possible Tymoshenko-led government. Nemyria focused his comments on the need for Ukraine to balance its approach between Russia and the West, arguing that a future Tymoshenko government would have to first address the energy relationship with Russia before addressing NATO-related issues. He also noted that Ukraine might be effective in bringing Russia closer to the EU, acting as an interlocutor and stabilizer. The reaction among participants to Nemyria's last point was highly skeptical, with several other panel members noting that any attempt by Ukraine to "freelance" between Russia and the EU would be unsuccessful and expose Kyiv to further pressure from Moscow.
- 17. (SBU) Comment: While academics debate theoretical and politically unrealistic proposals (for example, arguing that Ukraine should not be lumped in with other countries in the EU's European Neighborhood policy and should be offered the immediate prospect of EU membership), Ukraine continues to implement practical and concrete steps to exercise leadership in the Black Sea region. It has sponsored, with Poland, a Proliferation Security Initiative exercise/demonstration, the first ever for the Black Sea (ref A); assumed BSEC chairmanship November 1; and, as part of its BSEC program, will host a BSEC ministerial meeting in Kyiv in January 2008 that will also feature a BSEC-EU bilateral meeting to consider the EU policy paper "Black Sea Synergy a new regional cooperation initiative." Ukraine is also holding a BSEC-related conference November 14-15 on "Security and Stability in the Black Sea Region: Regional Cooperation and Settlement of 'Frozen' Conflicts.'"
- 18. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.